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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/789,133	02/26/2004	John M. Bader	056092-00001	6758
31013 7590 08/12/2008 KRAMER LEVIN NAFTALIS & FRANKEL LLP INTELLECTUAL PROPERTY DEPARTMENT 1177 AVENUE OF THE AMERICAS NEW YORK, NY 10036				
EXAMINER WORJLOH, JALATTEE				
ART UNIT 3685		PAPER NUMBER		
NOTIFICATION DATE 08/12/2008		DELIVERY MODE ELECTRONIC		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

klpatent@kramerlevin.com

### Office Action Summary

**Application No.**

10/789,133

**Applicant(s)**

BADER ET AL.

**Examiner**

Jalatee Worjloh

**Art Unit**

3685

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 19 May 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-3, 6, 7 and 9-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-3, 6, 7, 9-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_
- Paper No(s)/Mail Date \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

1. This Office Action is responsive to the amendment filed May 19, 2008. Claims 1-3, 5-7, 9-21 are pending.

### ***Response to Arguments***

2. Applicants' arguments filed May 19, 2008 have been fully considered but they are not persuasive.
3. Applicant argues that the agreements containing arbitration clauses discussed in Lazic have nothing to do with financial arrangement of the claimed invention.
4. However, the Examiner respectfully disagrees. The claim recites "establishing a financial arrangement between a responsible party and a debtor in the insolvency proceeding, the financial arrangement including terms for paying claims against the debtor"; Lazic teaches establishing a contractual relationship between a debtor and another party concluded before the commencement of bankruptcy proceeding, where the contract provided for the settlement of disputes by arbitration. The agreement relates to monetary claim against estate (see page 2, second and third paragraphs).
5. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., the contractual relationship is the basis of the claim itself and the another party is the claimant/creditor of the debtor - not an arrangement for a *third party insurer*) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification

are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

6. Applicants argue that Wyman does not teach "establishing a financial arrangement between a responsible party and a debtor in insolvency proceeding, the financial arrangement including terms for paying claims against the debtor". The Examiner notes that the Office Action states that this feature is taught by Lazic.

7. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., arranging for a responsible third party to insure the payment of allowed claims, *in return for giving such responsible party the right to offer immediate payment at a discount to creditors in return for accepting the discount*) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

8. Applicants argue that neither Monticciolo nor King teaches or even describes paying creditors of a debtor in an insolvency proceeding, or creating novel methods of expediting the payment of allowed creditors' claims.

9. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

***Claim Rejections - 35 USC § 112***

10. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

11. Claim 9 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

12. Claim 9 recites the limitations “wherein the predetermined payment amount offered by the responsible party differs from an amount paid for the same claim in the payment plan later approved by the court”; however, the cited paragraphs do not supported by the specification.

***Claim Rejections - 35 USC § 103***

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 1-3, 5-7, 9, 10, 16, and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over “Arbitration and insolvency Proceedings: Claims of Ordinary Bankruptcy Creditors” to Lazic in view of “May I have my balance please? Allocation of payments in bankruptcy cases to Wyman.

Referring to claim 1, Lazic teaches establishing a financial arrangement between a responsible party and a debtor in the insolvency proceedings, the financial arrangement including

terms for paying claims against the debtor (see pg. 2, 2<sup>nd</sup> paragraph – the debtor and another party has a contractual relationship). Lazic does not expressly disclose offering, by the responsible party, to pay each of a plurality of unsecured creditors having allowed claims against the debtor, a predetermined payment amount in full satisfaction of their respective claims against the debtor, wherein if any of said unsecured creditors accepts the offer, paying said predetermined payment amount to said unsecured creditor within a predetermined time period following said acceptance and wherein if any of the said unsecured creditors do not accept the offer, paying those creditors an amount later approved by a court at the end of final distribution proceedings. Wyman discloses offering to pay each of a statutorily sanctioned plurality of unsecured creditors having claims against the debtor, a predetermined payment amount in full satisfaction of their respective claims against the debtor, wherein if any of said unsecured creditors accepts the offer, paying said predetermined payment amount to said unsecured creditor within a predetermined time period following said acceptance and wherein if any of the said unsecured creditors do not accept the offer, paying those creditors an amount later approved by a court at the end of final distribution proceedings (see pages 3-5 section IV- “Treatment of postpetition payments” – this section describes how a proposed plan is presented to a creditor; the creditor rejects the proposal and the courts makes the final decision regarding what should be paid to the creditors. Also, see page 1 – “Introduction”, which teaches an unsecured creditor receiving full payments on an unsecured debt and the courts allocating payment to unsecured creditors). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to modify the method disclose by Lazic to include the steps of offering, by the responsible party, to pay each of a statutorily sanctioned plurality of unsecured creditors

having claims against the debtor, a predetermined payment amount in full satisfaction of their respective claims against the debtor, wherein if any of said unsecured creditors accepts the offer, paying said predetermined payment amount to said unsecured creditor within a predetermined time period following said acceptance and wherein if any of the said unsecured creditors do not accept the offer, paying those creditors an amount later approved by a court at the end of final distribution proceedings. One of ordinary skill in the art would have been motivated to do this because these steps are conventional in insolvency proceedings.

Although the conditional elements have been considered, Applicant is reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See MPEP §2106 II. C: "Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]"

Referring to claim 2, Lazic in combination with Wyman teach the step wherein the payment of the predetermined payment amount is completed within a predetermined time period (see claim 1 above).

Referring to claim 3, Lazic in combination with Wyman teach the predetermined time period. Lazic does not expressly disclose the step wherein the predetermined time period is from 5-30 days. Wyman discloses the step wherein the predetermined time period is from 5-30 days (see section III – "Adequate protection" and page 13 – end note "63" – unsecured creditors was entitled to receive monthly payments).

Referring to claim 5, Lazic in combination with Wyman teach the method wherein said court includes one of a state bankruptcy court and a federal bankruptcy court (see Wyman – “Introduction”).

Referring to claim 9, Lazic in combination with Wyman teach the step wherein the predetermined payment amount offered by the responsible party differs from an amount paid for the same claim in the payment plan later approved by the court (see claim 1 above).

Referring to claim 10, Lazic discloses the insolvency proceeding includes a bankruptcy proceeding (see claim 1 above).

Claims 16 and 19-21 teach a system with means for performing the steps of method claims 1, 10 and 3 above; therefore, this claim is rejected on the same rationale as claims 1, 10 and 3 above.

15. Claims 6, 7, 13-15, 17 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lazic and Wyman as applied to claims 1 and 16 above, and further in view of U.S. Publication No. 2001/0037274 to Monticciolo.

Referring to claims 6 and 7, Lazic in combination with Wyman discloses the method of claim 1. However, Lazic fails to teach providing, after paying all claims against the debtor, any remaining proceeds of all assets of the debtor involved in the insolvency proceedings to the insuring or other financially responsible party and the responsible party is a financial institution. Monticciolo discloses providing, after paying all claims against debtor, any remaining proceeds of all assets of the debtor involved in the insolvency proceedings to the insuring or other financially responsible party and the responsible party includes a financial institution (see paragraph [0027]). At the time the invention was made, it would have been obvious to a person



of ordinary skill in the art to modify the method disclose by Lazic to include the step of providing, after paying all claims against the debtor, any remaining proceeds of all assets of the debtor involved in the insolvency proceedings to the insuring or other financially responsible party. One of ordinary skill in the art would have been motivated to do this because it provides a cost effective process for the financially responsible party.

Referring to claims 13-15, Lazic in combination with Wyman discloses the method of claim 1. Lazic does not expressly disclose the financial arrangement includes an insurance policy; the responsible party includes an insurer, wherein the insurer includes one of an insurance company or a reinsurance company. Monticciolo discloses a financial arrangement includes an insurance policy; the responsible party includes an insurer, wherein the insurer includes one of an insurance company or a reinsurance company (see paragraph [0027]). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to modify the method disclose by Lazic to include the steps wherein the financial arrangement includes an insurance policy; the responsible party includes an insurer, wherein the insurer includes one of an insurance company or a reinsurance company. One of ordinary skill in the art would have been motivated to do this because it provides a cost effective process for the financially responsible party.

Referring to claims 17 and 18, Lazic in combination with Wyman discloses the method of claim 16. Lazic does not expressly disclose the financial arrangement includes an insurance policy or an insurance company. Monticciolo discloses a financial arrangement includes an insurance policy and insurance company (see paragraph [0027]). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to system disclose by

Lazic to include the financial arrangement includes an insurance policy or an insurance company. One of ordinary skill in the art would have been motivated to do this because it provides a cost effective process for the financially responsible party.

16. Claims 11 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lazic and Wyman as applied to claim 1 above, and further in view of U.S. Patent No. 5704045 to King et al. ("King").

Referring to claim 11, Lazic and Wyman discloses the method of claim 1. Lazic fails to teach establishing a distribution plan, identifying subject property of the debtor and wherein the responsible party's financial arrangement includes paying claims against the debtor by the responsible party as function of an analysis of the subject property by the responsible party (see col. 8, lines 1-6; col. 14, lines 31-41; col. 5, lines 13-21; col.7, lines 58-61; col. 10, lines 1-3; and col. 14, lines 41-67). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to modify the method disclose to Lazic to include the steps of establishing a distribution plan, identifying subject property of the debtor and wherein the responsible party's financial arrangement includes paying claims against the debtor by the responsible party as function of an analysis of the subject property by the responsible party. One of ordinary skill in the art would have been motivated to do this because it provides a cost effective process for the financially responsible party.

Referring to claim 12, Lazic and Wyman discloses the method of claim 1. Lazic fails to teach wherein the responsible party's financial arrangement obligates the responsible party to pay all claims against the debtor. Kin discloses wherein a responsible party's financial

arrangement obligates the responsible party to pay all claims against the debtor (see col. 3, lines 32-44; col. 7, line 8- col. 8, line 67 and col. 10, lines 1-3). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to modify the method disclose by Latic to include the feature wherein the responsible party's financial arrangement obligates the responsible party to pay all claims against the debtor. . One of ordinary skill in the art would have been motivated to do this because it provides a cost effective process for the financially responsible party.

### *Conclusion*

17. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jalatee Worjloh whose telephone number is 571-272-6714. The examiner can normally be reached on Monday - Friday 10:00 - 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin Hewitt II can be reached on 571-272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jalatee Worjloh/  
Primary Examiner, Art Unit 3685